

Halibut Charter IFQ Issues and Options

ISSUE 1. Initial QS may be based on:

Option 1. 12.68% in Area 2C and 14.94% in Area 3A of combined commercial and charter halibut quota

Option 2. 14.74% in Area 2C and 14.00% in Area 3A of combined commercial and charter halibut quota

Suboption 1: Use the State of Alaska's corrected numbers for the preferred option

Suboption 2: 50% of an individual's QS initial issuance would be fixed and the remaining 50% would float with abundance.

Option 3. Set-aside 1-2 ½% of combined commercial charter TAC for Gulf communities
A. Equal pounds from commercial and charter
B. Proportional amount based on split
C. 100% out of charter

Issue 2. Initial allocation of QS would be issued to U.S. citizens or to U.S. companies on the following basis:

U.S. ownership based on: a) 51% ownership; b) 75% ownership

The analysis should include a discussion regarding the criteria used for IFQ regulations as well as applicability of MARAD regulations

Option 1. Charter vessel owner - person who owns the charterboat and charterboat business

Option 2. Bare vessel lessee - person that leases a vessel and controls its use as a charterboat for this fishery. May operate the vessel or may hire a captain/skipper. Lessee determines when the vessel sails and by whom captained

Documentation will be required to verify that the charterboats controlled by owners or leasees were operated by individuals with appropriate USCG licenses.

The analysis should include an outline of criteria that could be used to determine a bare boat vessel lessee.

ISSUE 3. Qualification Criteria

Initial allocations will be based on an individual's participation and not the vessel's activity. Anyone not meeting the qualification criteria would have to purchase QS or transfer (lease) IFQs to participate in the halibut charter fishery.

- Option 1. Initial issuees who carried clients in 1998 and 1999 and who submitted ADF&G logbooks for an active vessel (as received by ADF&G by February 12, 2000)
- Option 2. Initial issuees who carried clients in 1998 or 1999 and who submitted ADF&G logbooks for an active vessel (as received by ADF&G by February 12, 2000)
- Option 3. Initial issuees who carried clients prior to June 24, 1998 and who submitted at least one ADF&G logbook for an active vessel (as received by ADF&G by February 12, 2000)
- Option 4. Initial issuees who carried clients four out of five years between 1995-1999 as evidenced by IPHC, CFEC , and ADF&G business and guide documentation for 1995-99 and submitted logbooks for an active vessel in 1998 and 1999
- Option 5. Initial issuees who carried clients four out of five years between 1995-1999 as evidenced by IPHC, CFEC and ADF&G business and guide documentation for 1995-99 and submitted logbooks for an active vessel for either 1998 or 1999

Active vessel is defined as having turned in one ADF&G logbook page with positive catch or effort. ADF&G Guide and Business registration is required of bare vessel lessees only. Neither CFEC vessel registration nor IPHC licensing would be required of bare vessel lessees.

ISSUE 4. Distribution of QS may be based on:

- Option 1. 70% of 1998 and 1999 logbook average with an additional 10% added for each year of operation 1995-97 (longevity reward). The balance could then be re-issued to the whole group of participants
- Option 2. Modified Kodiak proposal: 5-30% for A, 33% for B, 37-62% for C
 - Part A: each individual gets an equal percentage of the qualified pool as identified by the Council's final action.
 - Part B: each individual's average 98/99 logbook harvest as percentage of overall harvest is multiplied by 33% of the qualified pool.
 - Part C: one point for each year of participation during 1995-99.

Suboption: Base distribution for the preferred option on both total catch retained and caught and released

ISSUE 5. Transferability of QS (permanent) and IFQs (on annual basis [leasing])

- Option 1. Nature of Charter Quota Share:
 - 1. Leasable
 - 2. Non-leasable

Suboption: Allow grandfather provisions to initial recipients to use hired skippers similar to the halibut sablefish IFQ program

- Option 2. Transfer of QS (permanent) and/or IFQs (leasing):

- a) prohibit transfers between charter and commercial sectors
- b) allow transfers between charter and commercial sectors
 - A. 1-yr one way transfer from commercial to charter
 - B. 3-yr one way transfer from commercial to charter
 - C. two-way (between commercial and charter sectors).
 - Suboptions under Options b (1-3):
 - i. Designate QS pool into two classes for transfer from charter to commercial sector: transferable (25%) and non-transferable (75%) pools on an individual's basis.
 - ii. Cap the percentage of annual IFQ transfers (de facto leasing) between sectors not to exceed 25% of total IFQs and a range of 0-10% of IFQs per year from charter to commercial.
 - iii. on percentage of annual QS transfers between sectors not to exceed 25% of total QS and a range of between 0-10% of QS per year from charter to commercial.
 - iv. A range of 0-10% leasing of Charter IFQ to charter from charter for the first 3 years

Option 3. Block restrictions

- a) any initially issued (i.e., unblocked) charter QS once transferred to commercial sector shall be:
 - 1. blocked
 - 2. blocked up to the limits of the commercial sweep-up and block limits
- b) allow splitting of commercial blocks to transfer a smaller piece to the charter sector
- c) allow splitting of commercial blocks once transferred to the charter sector

Option 4. Vessel class restrictions

- a) from A, B, C, and/or D commercial vessel category sizes to charter sector
 - 1) Leasable
 - 2) Non-leasable
- b) from charter to commercial:
 - 1. D category only
 - 2. C and D category only
 - 3. B, C, and D category
- c) initial transfer from undesignated charter to a particular commercial vessel category locks in at that commercial category

Option 5. One transfer of QS/IFQ each year between sectors for each QS holder

Option 6. Minimum size of transfer is range of 20-72 fish

ISSUE 6. To receive halibut QS and IFQ by transfer:

Option 1. For the charter sector, must be either

- A. a initial charter issuee. or
- B. qualified as defined by State of Alaska requirements for registered guides or businesses*
 - Suboption: and hold a USCG license.

*this would require a change in the commercial regulations to allow transfer of commercial QS/IFQ to charter operator

Option 2. For the commercial sector, must have a commercial transfer eligibility certificate.

ISSUE 7. Caps

- Option 1. No caps - free transferability
- Option 2. Ownership cap of ¼, ½, and 1% of combined QS units in Area 2C and ¼, ½, and 1% of combined QS units in Area 3A and grandfather initial issues at their initial allocation

Issue 8. Miscellaneous provisions

- Option 2. Maximum line limit of 12 in Area 3A (remains at 6 lines for Area 2C), grandfather initial issues
- Option 3. 10% rollover provision of total IFQs
- Option 4. 10% overage provision of total IFQs to be deducted from next year's IFQs

Issue 9. IFQs associated with the charter quota shares may be issued in:

- Option 1. Pounds
- Option 2. Numbers of fish (based on average weight determined by ADF&G)

Issue 10. Reporting:

- Option 1. Require operator to report landings at conclusion of trip
- Option 2. ADF&G logbook
- Option 3. Expand implementation issues presented in the analysis to look at requiring a reporting station in every city and charter boat location to accurately weigh every halibut caught.